

Message Text

CONFIDENTIAL

PAGE 01 KUALA 05322 051033Z

11

ACTION EA-09

INFO OCT-01 EUR-12 ISO-00 EB-07 COME-00 OPIC-03 TRSE-00

L-03 H-02 /037 W

----- 107986

R 050913Z SEP 75

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 1193

INFO AMEMBASSY LONDON

C O N F I D E N T I A L KUALA LUMPUR 5322

E.O. 11652: GDS

TAGS: BDIS, MY

SUBJ: CORNING GLASS REALIGNMENT OF DISTRIBUTORSHIP
CREATES PROBLEMS FOR GOM

1. KAMARUDDIN BIN NORDIN, DIRECTOR, MINISTRY OF TRADE
AND INDUSTRY'S (MTI) BUMIPUTRA (ETHNIC MALAYS) DIVISION,
HAS ASKED FOR EMBASSY ASSISTANCE IN RESOLVING PROBLEM
LAID ON HIS DESK BY GROUP OF POLITICALLY INFLUENTIAL
MALAY LADIES.

2. PROBLEM CAUSED BY CORNING DECISION TO LIMIT DIS-
TRIBUTION OF ITS PYREX GLASSWARES TO ONE TRADING HOUSE
IN MALAYSIA. HERETOFORE, CORNING U.S. HAD HEGEMEYER
TRADING CO. SDN. BHD. ACTING AS ITS AGENT FOR PYREX
PRODUCED IN U.S. WHILE EUROPEAN DIVISION OF CORNING HAD J.L.
MORRISON SDN. BHD. AS AGENT FOR ITS PYREX PRODUCTS. RE-
PORTEDLY, AS RESULT OF RECENT CORPORATE DECISION, CORNING
U.S. WITHDRAWING ITS AGENCY AGREEMENT WITH HEGEMEYER
AND MALAYSIAN MARKET WILL BE SUPPLIED ENTIRELY BY
EUROPEAN DIVISION THROUGH MORRISON.

3. BOTH HEGEMEYER AND MORRISON HAVE DISTRIBUTED GOODS
IN SAME WAY -- PRIMARY SALES MADE THROUGH DEALERS WITH
SECONDARY SALES OBTAINED THROUGH "PARTY SALES" BY
INDIVIDUAL LADIES. LATTER SIMILAR TO TUPPERWARE
PARTIES. HEGEMEYER HANDLED ITS PARTY SALES THROUGH
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUALA 05322 051033Z

ORGANIZATION KNOWN AS MARAHAKIN CORP. HEADED BY MRS.

SITI KHADTIJAH AND IS OWNED BY GROUP OF MALAY LADIES MENTIONED ABOVE.

4. WITH SHIFT OF PYREX SALES TO MORRISON ON SOLE AGENT BASIS, LADIES GROUP HAS BEEN COMPLETELY CUT OUT OF ACTION. THEY HAVE COMPLAINED TO KAMARUDDIN WHO HAS ALSO BEEN CONTACTED ON THEIR BEHALF BY SOCIAL WELFARE MINISTER AISHAH GHANI, HEAD OF WANITA UMNO (WOMEN'S DIVISION OF UNITED MALAY NATIONAL ORGANIZATION). LADIES HAVE SENT COPIES OF THEIR CORRESPONDENCE WITH KAMARUDDIN TO PRIME MINISTER AND DEPUTY MINISTER.

5. KAMARUDDIN HAS CONTACTED BOTH HEGEMEYER AND MORRISON TO VERIFY SITUATION DESCRIBED ABOVE. HEGEMEYER NOW ESSENTIALLY OUT OF PICTURE. MORRISON, WHICH OLD-LINE BRITISH TRADING HOUSE, HAS GIVEN VERY VAGUE INDICATION THAT THEY MAY TRY TO WORK OUT SOME DEAL WITH LADIES. KAMARUDDIN, WHO HAS HAD EXTENSIVE EXPERIENCE WITH FIRMS LIKE MORRISON, BELIEVES THEY MAY SIMPLY BE STALLING. WITH PERMISSION OF MTI'S DIRECTOR GENERAL, HE HAS APPROACHED EMBASSY WITH REQUEST THAT THIS PROBLEM BE DISCUSSED WITH CORNING U.S. HEADQUARTERS TO SEE IF LADIES' DESIRE TO CONTINUE HANDLING PARTY SALES CAN BE SOMEHOW ACCOMMODATED.

6. COMMENT. WHILE RECOGNIZING UNUSUAL NATURE OF REQUEST, EMBASSY WOULD APPRECIATE DEPARTMENT'S QUIETLY RAISING PROBLEM WITH CORNING. KAMARUDDIN HEADS POWERFUL UNIT IN MTI CHARGED WITH IMPLEMENTING AND OVERSEEING COMPANIES' EFFORTS TO MEET GOM'S BUMIPUTRA EMPLOYMENT GOALS. HE HAS PROVEN TO BE EXCEPTIONALLY HELPFUL TO AMERICAN FIRMS ON SEVERAL PAST OCCASIONS AND HAS PROVEN TO BE A VERY VALUABLE EMBASSY CONTACT ON BUMIPUTRA QUESTIONS.
DILLON

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 05 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975KUALA05322
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750307-0589
From: KUALA LUMPUR
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750980/aaaactcq.tel
Line Count: 95
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 25 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 JUN 2003 by BoyleJA>; APPROVED <05 NOV 2003 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CORNING GLASS REALIGNMENT OF DISTRIBUTORSHIP CREATES PROBLEMS FOR GOM
TAGS: BDIS, MY
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006